

## BENEFITS ADMINISTRATION WHILE ON LEAVE OF ABSENCE

The purpose of this job aid is to explain how an employee's benefits are administrated during a Leave of Absence (LOA).

### LOA WITH PAY

A LOA with Pay is when an employee is on a leave of absence and is using approved leave (employee being paid).

When an employee is on a LOA with Pay, their NC Flex and State Health Plan (SHP) will continue. Agency specific benefits will continue unless the agency delimits these plans.

If an employee is using their approved leave for the entire LOA period, the employee will not have any interruption in their benefits.

### LOA WITHOUT PAY

A LOA without Pay is when an employee is **not** using approved leave (employee **not** being paid). A LOA without pay also includes employees who are on a LOA receiving Short Term Disability (STD) benefits and employees on a Workers Compensation using supplemental leave. Both of these LOAs are considered LOA without Pay with regard to processing benefits.

When an employee is on a LOA without Pay, their benefits will be administrated as follows:

**Agency Specific Benefits:** Each agency is responsible for administering these plans according to their agency process.

**NC Flex Benefits:** These benefits will terminate in the BEACON system. BEST Benefits will delimit these benefits the last day of the month in which premiums were paid. Employees can continue these benefits by paying the NC Flex vendors directly. Employees who do not continue these plans while on a LOA without Pay may have waiting periods and/or Evidence of insurability (EOI) upon benefits reinstatement. See the NC Flex HBR Administrative Manual for further details.

**NOTE:** *Employees who are pending shared leave or have time that may be entered later will need to pay premiums directly to the vendor once benefits have been termed.*

**State Health Plan:** The following LOAs require the employer to continue paying the employer premiums:

- Family Medical Leave (FML)
- STD while receiving the benefits when an employee has more than 5 years of creditable service. While on the 60-day waiting period, the employee is responsible for the full cost of premiums if this period is not covered by FML.
- Worker Compensation Leave
- Military Reserve Active Duty – State Assignment only

**NOTE:** *While on the following LOAs, the employee is responsible for paying their dependent premiums and/or their employee only portion of the PPO 90/10 plan.*

For any of the above LOAs: If the employee has dependent coverage and they do not send BEST premiums payments, BEST Benefits will delimit dependent coverage and enroll the employee in Employee Only coverage. If the employee is enrolled in the PPO 90/10 plan and does not send BEST their premium payment, BEST Benefits will change their enrollment to the 80/20 plan. Employees will not be allowed to change their enrollment back to 90/10 until the next annual enrollment.

*When is the employee responsible for the full SHP premium cost?*

The same rules as a termination are applied for LOAs. If the employee's last working day (last day in paid status) is between 1<sup>st</sup> – 15<sup>th</sup>, the employee is responsible for that month's full premiums. If the employee's last workday (paid day) is between the 16<sup>th</sup> and the end of the month, the employee is responsible for full premiums starting next month.

**Example#1:** The employee's LOA/Extended Illness unpaid LOA action is effective February 12, 2009 (last day in pay status is 2/11/2009); the employee is responsible for the full premium cost in February. Coverage will end on February 28, 2009 if the employee does not send premium payments.

**Example#2:** The employee's LOA/Extended Illness unpaid LOA action is effective February 20, 2009 (last day in pay status is 2/19/2009); the employee is responsible for the full premium cost starting in March. Coverage will end on March 31, 2009 if the employee does not send premium payments.

*When will the State Health Plan (SHP) end?*

BEST Benefits will delimit the plan coverage the last day of the month in which premiums were last paid by either the employee or the agency. BEST Benefits will generally delimit the SHP no later than the second month in which premiums were not paid.

*What happens if the employee does not send in premium payments?*

The plan will be terminated the last day of the month which coverage was paid. The employee will not be offered COBRA and will not receive any notice from BEST or the SHP. The employee's LOA letter serves as this notice.

*What triggers the system to charge the employee the full premium cost while on a LOA?*

The Work Contract field located on IT 0001 Organizational Assignment is used to charge the employee the full premium cost while on LOA without Pay. This field is used for both Short Term Disability employees with less than 5 years of contributing service and employees on an unpaid LOA who are required to pay the full SHP premium cost. The Agency is responsible for setting this during a STD action. BEST Benefits will set this for all other unpaid LOAS.

*What if Voluntary Shared Leave (VSL) is provided to the employee?*

If the employee receives VSL after they have been paying or are set up to pay the full cost, HBRs should contact BEST to ensure the employee's premiums are adjusted correctly.

**REINSTATEMENT OF BENEFITS**

When the employee returns from LOA without Pay, the employee **must** re-enroll in their NC Flex Plans for any benefits they wish to receive as an active employee (even if they were paying the vendors directly). The employee must also restart the SHP benefit if they were not paying BEST directly. The employee has 30 days from their return date to resume any benefits election. The employee must elect the same coverage dropped while on LOA without Pay unless there was a qualifying event (e.g., birth of a child) during the absence. Employees who do not make this election within 30 days for their return may have to wait until the next annual enrollment to participate in the benefit plan.

*How will the employee sign back up for their NC Flex benefits?*

BEST Benefits will create the adjustment reason RFL, Return from LOA and the employee will either go to Employee Self Service (ESS) to complete their enrollment or they will complete an enrollment form and send it to BEST. Employees are required to only restart their Health Care Flexible Spending Account (HCFSAs). If an employee had a HCFSAs, they should contact BEST so the correct payroll deductions can be re-established. Employees must re-enroll in their benefits with 30 days from their return date or they will need to wait for the next annual enrollment.

*How will the employee sign back up for their State Health Plan benefit?*

If the employee paid their SHP premiums directly to BEST, then this benefit plan will now be deducted as an active employee. If the employee chose not to pay the SHP premiums while on a LOA without Pay, they can re-enroll in the health plan within 30 days from their return date. See paragraph above for instructions.

*When will the benefits plan coverage effective date begin?*

The coverage start date is the first of the month following the employee's return from the leave date (qualifying event date). The employee must start any NC Flex plans on this date but the SHP can start either the first of the month following the return date or the first of the second month following the return date.

**Example:** The employee returns to work on 2/16/2009; any NC Flex plans the employee re-enrolls in will restart on March 1<sup>st</sup> and the SHP can start on either March 1<sup>st</sup> or April 1<sup>st</sup>.

## **RESPONSIBILITIES DURING A LOA**

### **Agency HBR:**

- Ensure the employee is placed timely on the appropriate LOA.
- Counsel the employee on their NC Flex, SHP and agency specific benefits options.
- Provide employees the BEACON LOA letter (ZBNS0008) or a similar letter informing the employee where to send premium payments for the NC Flex and SHP Plans. The letter also serves as a notice that if the SHP premiums payments are not sent to BEST, the benefit plan will be terminated for non-payment (refer to Benefits BPPs)
- Instruct the employee to pay the NC Flex vendors directly for any benefits continuation and to send BEST their State Health Plan premiums payment. NC Flex vendor payment information is provided in the BEACON LOA letter and in the NC Flex HBR Administrative Manual.
- Review State Health Plan deductions and contact BEST when agency believes employee should be paying for the full premium cost.

### **Employees:**

- Send premium payments for any NC Flex benefits directly to the vendors.
- Send BEST State Health Plan premiums by the 1<sup>st</sup> of each month. Checks should be payable to Office of State Controller and sent to 1425 Mail Service Center, Raleigh, NC 27699.
- Responsible for contacting HBR to continue, if needed, agency specific plans.
- Re-enroll in any NC Flex, SHP and/or agency specific benefits within 30 days of reinstatement.

**BEST Benefits:**

- Set the work contract field for non STD LOAs to “SHP-STD<5 Rtmnt” when the employee is responsible for the full SHP premium cost based on the action and when approved leave is not being used.
- Delimit all NC Flex plans once the LOA without Pay begins.
- Delimit the SHP plan when premiums are not paid.
- Monitor reinstatement enrollments to ensure employee re-enrolled in appropriate plans.

**ADDITIONAL RESOURCES**

BPP - ZBNS008 Continuation of Benefits During Leave of Absence

[http://help.mybeacon.nc.gov/beaconhelp/Benefits/r\\_ZBNS008\\_Continuation%20of%20Benefits%20During%20Leave%20of%20Absence.htm#TopOfPage](http://help.mybeacon.nc.gov/beaconhelp/Benefits/r_ZBNS008_Continuation%20of%20Benefits%20During%20Leave%20of%20Absence.htm#TopOfPage)

BPP – Leave of Absence PA40 W/WORKFLOW

[http://help.mybeacon.nc.gov/beaconhelp/Human\\_Resources/Personnel\\_Admin/r\\_PA40\\_Leave%0of%20Absence.htm#TopOfPage](http://help.mybeacon.nc.gov/beaconhelp/Human_Resources/Personnel_Admin/r_PA40_Leave%0of%20Absence.htm#TopOfPage)

Actions and Reasons List Job Aid

[http://help.mybeacon.nc.gov/beaconhelp/Human\\_Resources/Personnel\\_Admin/Job\\_Aids/pdf\\_Actions\\_and\\_Reasons\\_List.pdf](http://help.mybeacon.nc.gov/beaconhelp/Human_Resources/Personnel_Admin/Job_Aids/pdf_Actions_and_Reasons_List.pdf)

State Health Plan Website:

<http://www.shpnc.org/>

Office of State Personnel NC Flex:

[http://www.osp.state.nc.us/ncflex/FAQs/FAQ\\_unpaidLOA.html](http://www.osp.state.nc.us/ncflex/FAQs/FAQ_unpaidLOA.html)